

There is very little complaint about indirect taxes, although we pay unto the State about three and one-half times as much in the form of indirect taxes as we do in direct taxes. Yet indirect taxes are paid in such a manner and in such amounts as not to seem unduly oppressive. The gasoline tax, bonus tax, inheritance taxes, gross receipts taxes, these and other taxes which we term indirect taxes, while constituting by far the greater part of the State's revenues, at the same time constitute by far the smaller part of the taxpayer's complaint.

"The difficulty which the problem presents, however, is the fact that the great proportion of direct taxes is levied by the local, and not by the State Government. The present State tax rate is twenty-five cents, and it is estimated that this will bring into the State Treasury for the fiscal year ending September 30, 1932, \$7,250,000, or 22.5% of the total estimated State revenues for that fiscal year. The remaining 77.5% will be received from indirect revenues. If the State were to eliminate direct taxes altogether, which, under our State Constitution, would not be practical, the burden on the property owner would not be lessened sufficiently.

"Your Committee has given consideration to various suggestions that have been made to it at the hearings held, through correspondence and otherwise, which, if enacted into law, it is alleged, would constitute a source of additional, indirect revenue and could probably be used to reduce the direct taxes levied by the State and the various local governments on tangible property, real and personal. It is hardly necessary in this report to state the various suggestions that have been made, because they should not in any way limit the inquiry of the Commission hereinafter recommended in this report.

"It goes without saying that any proposal which goes into the fundamental fiscal policy of the State cannot be recommended by your Committee after so short a study as we have been able to give to the subject. However, your Committee is of the opinion that a study of the whole tax situation in Maryland may reveal sources of revenue not yet availed of which will improve the present situation and relieve distress which is now acute.

"Your Committee recommends, therefore, that the Governor be requested to appoint a Commission of five persons to examine into and to make a comprehensive survey and study of the entire taxing system of the State of Maryland, for the purpose of discovering its deficiencies, if any, and of bringing